



Ensuring Integrity
in our Marketplace

Report of
Montgomery County's Advisory Committee on Consumer Protection
Regarding the Inspection of Installed Gas Appliances

February 13, 2012

Advisory Committee Members

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I. Introduction

This report regarding compliance with permit and inspection requirements for gas appliance installations in Montgomery County was undertaken at the request of Montgomery County's Office of Consumer Protection (OCP) following the findings of a 2011 joint investigation by OCP and the Washington Suburban Sanitation Commission (WSSC).¹ The joint investigation checked more than 3,000 gas appliance installations from 2010 and 2011 in Montgomery County by six large retailers and one installer subcontractor for a large retailer. The investigation revealed that more than two thirds of the appliances had not been properly inspected following installation, and a significant number had been installed by unlicensed individuals. Both circumstances posed a potential safety hazard and deprived customers of services for which they paid, but never received.

Under the "Plumbing and Fuel Gas Code" for Montgomery and Prince George's counties, only WSSC-licensed plumbers/gas fitters can install gas appliances, including water heaters, dryers, heating systems and stoves. A permit, paid for by the consumer, is required by WSSC prior to installation and the licensed plumber/gas fitter is required to schedule an inspection by WSSC within five business days following the installation.

In November 2011, Montgomery County's Advisory Committee on Consumer Protection (Advisory Committee) solicited comments from all stakeholders regarding the installation and inspection of gas appliances.² Input was specifically sought from retail business establishments, homeowner's insurance companies, plumbing/gas fitting contractors, Montgomery and Prince George's County Fire and Rescue Services, the Washington Suburban Master Plumbers Association, and consumers.

Upon careful review of the comments the Advisory Committee made seven independent recommendations: Expand the hours and days for WSSC inspections; Provide a longer period of time for the inspections; Raise consumer awareness; Enforce the existing rules; Audit a small percentage of pulled permits; Change the existing rules to require more WSSC involvement throughout the process; and Undertake a broad survey of other jurisdictions. (Recommendations are explained in detail in Section VI.) This report additionally summarizes the relevant law and regulations, the history of the investigations, and all submitted comments. The report will be forwarded to WSSC, the County Executive, the County Council, the appropriate authorities in Prince Georges County, and made public on OCP's website.

About the Advisory Committee and OCP

The Advisory Committee is comprised of nine members appointed by the County Executive and confirmed by the County Council intended to reflect a cross-section of consumer and business interests. The Advisory Committee meets monthly and provides advice to OCP in carrying out

¹ http://www.montgomerycountymd.gov/apps/News/press/PR_details.asp?PrID=7925.

² http://www.montgomerycountymd.gov/apps/News/press/PR_details.asp?PrID=8027.

its duties and functions. It is empowered to hold public hearings on any topic related to consumer protection.

The mission of OCP is to enforce consumer protection laws prohibiting unfair and deceptive business acts or practices in order to ensure a fair marketplace for consumers and businesses. Created in 1971, OCP's activities include complaint resolution, law enforcement, education, legislation, advocacy, licensing, and outreach. Each year, OCP investigates thousands of complaints involving automotive sales and repairs, new home purchases, home improvements, credit issues, retail sales, internet services and most other consumer transactions.

II. Current Law and Regulations

What is covered?

All gas appliances installed in Montgomery County residences. This includes all water heaters, gas dryers, gas heating systems and gas stoves. As of February 1, 2011, electric water heater installations must also be inspected by WSSC.

Installation

Currently, Montgomery County residents that purchase a gas appliance for installation in their home are required to have the appliance installed by a licensed Master Plumber.

Permit

The Master Plumber, licensed by WSSC, may not undertake the installation of the gas appliance until a permit has been obtained from WSSC. These permits are sold either one at a time or in books of 50 ("short form permits") to licensed Master Plumbers. The permits cost \$55 and are issued blank by WSSC to the Master Plumber. There is no limit to the number of books a Master Plumber can purchase, though only one book can be purchased a day. In the case of gas appliances purchased from a retailer, generally consumers pay for the permit at the same time as they purchase their gas appliance, and the fee is collected by the retailer. In most instances this fee is shown as a separate line item on the consumer's receipt.

The Master Plumber, or "Licensee," may conduct the installation after having the permit assigned for a given installation.

Inspection

After installing the appliance, the Licensee, (the installer) is responsible for the appliance being inspected within five calendar days. The consumer may schedule the inspection with WSSC. While the installer can schedule the installation without the assistance of the consumer, the inspection must take place in the consumer's residence, and thus the consumer must be available for the inspection. More simply, while the responsibility for inspection under the Code lies with the installer, without cooperation of the consumer, the appliance cannot be inspected.

WSSC makes inspectors available from 7:30am-2:30pm, Monday through Friday only. Inspections may only be scheduled up to 3 days in advance.

Penalties

A failure by the Master Plumber/installer to ensure that the gas appliance is inspected by WSSC can subject the installer to a fine of up to \$250 per offense.

III. History of Investigation

In February 2011, OCP filed a lawsuit against All State Plumbing, Heating & Cooling, Inc. and its Master Plumber, Wayne E. Garrity, for charging consumers for permit fees but failing to obtain permits and inspections when installing hot water heaters.

The lawsuit, filed through the Office of the County Attorney, was based upon an OCP investigation documenting that more than a dozen consumers were charged \$90 to \$150 for a permit from WSSC, the regulatory authority for plumbing and gas fitting in Montgomery and Prince George's counties. However, All State failed to apply for or receive permits, and consequently no inspections were conducted by WSSC upon completion of the installations. Between January 1, 2009 and May 15, 2010, All State installed approximately 100 water heaters in Montgomery County as the plumbing contractor for a home warranty program sold by American Home Shield.

The lawsuit charged that All State Plumbing and its Master Plumber violated Montgomery County's Consumer Protection Act by charging for services it did not provide and for failing to provide documentation to OCP pursuant to an administrative subpoena. The County sought a court order to terminate these deceptive practices, provide restitution to consumers and pay approximately \$100,000 plus punitive damages to the County for violating Montgomery County's Consumer Protection Act. The suit also sought to have All State comply with the administrative subpoena to provide copies of customer receipts so that OCP can determine how many other consumers in Montgomery County may have been affected by the practices referenced in the lawsuit. The trial is scheduled to begin in March 2012 in Montgomery County Circuit Court.

As a result of the All State Plumbing case, OCP began looking into permitting and inspection compliance on a broader scale. In consultation with WSSC, OCP undertook a joint investigation into compliance with permitting and inspection requirements for gas appliances that are installed in Montgomery County.

The investigation began by requesting a list of all of the gas appliances sold to consumers in Montgomery County by three "big box" retailers – Sears, Home Depot and Lowe's in 2010 and 2011. Later, lists were requested from hhGregg, Bray and Scarf, Best Buy and GE Home Delivery (a Home Depot subcontractor). Each of the stores sells installation services but use subcontractors to do the actual installations.

Some of the lists included all gas appliances sold by the stores; some only included gas water heaters. OCP worked closely with WSSC to determine the inspection compliance rate for these installations. Of the more than 3,000 installations covered by the seven lists, WSSC found that less than two thirds had been inspected. In addition, no permits could be found for a significant number of the installations and a significant number of the appliances were installed by

unlicensed individuals. Following the results of this investigation, the six retailers and GE Home Delivery were asked to work with their subcontractor plumbers to have the gas appliance installations from 2010 and 2011 inspected, and to take steps to ensure that future jobs are scheduled for inspection within five days of the installation.

As a result of the investigation, WSSC has taken steps to insert a notice in its quarterly newsletter that alerts residents to the need for permits and inspections when gas appliances are installed. Consumers are being urged to insist that a permit is obtained when having a gas appliance installed and that an inspection is scheduled promptly afterwards. The Advisory Committee understands that WSSC is also studying possible changes to the Plumbing Code.

IV. Recent Gas Appliance Incident

On May 4, 2011, a home in Rockville, Maryland exploded, sending its two residents to the burn unit of a local hospital as a result of an improperly installed gas dryer by one of the two residents.³ Montgomery County Fire and Rescue Service submitted comments to the Advisory Committee noting they observe at least one such explosion a year in the County.

V. Summary of Comments

The Advisory Committee received seven comments. Four comments were from members of the public. One was from a safety agency (Montgomery County Fire and Rescue Service), one was from a retailer (Home Depot) and one was from a utility that serves Montgomery County (Washington Gas).

- One public commenter raised concerns that any change to the current system would result in more fees to county residents without any benefit.
- Another public commenter noted the importance of the issue. This consumer had experience with two separate gas appliances installed, with no mention of inspection at the time of installation for either. The consumer urged WSSC to develop and implement processes to ensure that the law is followed.
- A third public commenter stated the schedule for inspection times was “unrealistic.” Additionally, this commenter noted that there was no information provided at the time of purchase that an inspection would be necessary, thereby making the consumer unaware at the time of installation that such an inspection was required. This consumer made two separate suggestions regarding the system:
 - Certify the installers as inspectors;
 - Schedule the inspection automatically at the same time installation is scheduled.
- The final public comment suggested “prominent notice” on the contract for the installation of gas appliances that the installed appliance must be inspected and provide the WSSC phone number and/or website to allow consumers to get more information about the process. This consumer also questioned whether greater compliance was realistic with the current number of WSSC inspectors and whether fee increases might be necessary in order to be sure there were enough inspectors.

³ <http://washingtonexaminer.com/local/2011/05/explosion-destroys-rockville-home-injuring-2#ixzz1kckU6qKe>.

- Montgomery County Fire and Rescue Service’s comment focused on the safety hazards raised by a failure to inspect gas appliance. The comment noted that improper installations can lead to leaks, explosions, and fire which can frequently lead to severe injury and even death.
- Home Depot’s comment focused on multiple areas:
 - Home Depot was concerned that the inspection requirement are not being enforced equally, and urged regulators to make efforts to require the smaller contractors to submit customer lists or to find ways to get this information and follow up on it.
 - Home Depot was concerned the available schedule for inspections are insufficient to meet modern schedules. The company also suggested that if a consumer is not home at the agreed upon time for a scheduled inspection, the burden to ensure the appliance is inspected should shift to the consumer.
 - Home Depot opposed any movement to make it more difficult to obtain permits for inspection. They suggested adding the ability to purchase the permits online, by fax, or by phone, in addition to the current “coupon book” system.
 - Home Depot also suggested a method for ensuring compliance could entail monthly reports on each licensee and their open permits. Too many open permits could suggest a given licensee is not properly permitting work.
 - Home Depot, in its response to questions, stated that while they believe the five calendar day inspection period is sufficient, there is not enough visibility of pending permits. However, Home Depot is opposed to an inspection requirement prior to the use of the gas appliance, due to the “extreme consumer inconvenience.”
 - Home Depot suggested that uncooperative consumers should ultimately be made responsible for the inspection.
 - Finally, Home Depot noted that other jurisdictions have more “consumer focused” flexible hours than Montgomery County currently has. An audit system that inspects a percentage of installed appliances that is tied to the given installer could also allow the County to focus on installers with higher failure rates. Additionally, a record of completion would be helpful for all concerned – either on paper, fax, or online.
- Washington Gas’ comment focused on the safe use of gas appliances balanced against “excessive regulation” that could lead “inadvertently” to “decreased customer choice” that could ultimately lead to “increased energy consumption and greenhouse gas emissions.”

VI. Recommendations

After reviewing the information provided by OCP, WSSC, and the comments received from the public and other interested parties, the Advisory Committee makes the following recommendations regarding the lack of compliance with the requirement for licensed installers of gas appliances in Montgomery County to have the installed appliance inspected by WSSC within five calendar days of inspection:

1. Expand hours and days for WSSC inspections.
 - Currently, WSSC inspections only take place Monday – Friday 7:30am-2:30pm and may only be scheduled three (3) days in advance. This does not appear to be

sufficient for today's busy consumers. Extended hours and at least one weekend day would be helpful. Further, consumers could use more advance time to schedule the appointment. An inability to only schedule three days in advance is often insufficient.

2. Provide a longer period of time for the inspections.
 - Five calendar days is a very short window for many busy consumers. We suggest ten business days may allow for an improved compliance rate.
3. Raise Consumer Awareness.
 - The point of purchase (either in the store or online) is a great moment to inform consumers of the law's requirement for inspection. If all retailers were required to inform consumers this might help educate them. This could be accomplished by requiring either a poster, materials handed out at the time of the sale, or a verbal explanation from the salesperson.
 - Require consumers to acknowledge receipt of notice of the inspection requirement.
 - Include WSSC contact information for consumers with questions or complaints.
 - WSSC has apparently taken steps to insert a notice in its quarterly newsletter that arrives with consumers' water bills. This is a good start.
 - Perhaps Washington Gas could undertake a similar campaign.
4. Enforce the existing rules.
 - The Advisory Committee has been given the impression there is a widespread belief in the plumbing community that existing rules are not enforced. If the law has a true safety purpose it should be enforced at both the retail and installer level.
 - Consider examining the compliance record of plumbers as part of license renewal process.
 - Hold retailers responsible for ensuring compliance by their subcontractor plumbers. This may require amending the plumbing code to make it clear that the seller of installation services, as well as the installer, is responsible for compliance with permitting and inspection requirements
5. Audit a small percentage of pulled permits.
 - Random audits of submitted permits could achieve the same results as the large scale OCP/WSSC investigation. If WSSC would perform some audits and track which licensees were poor performers, it could provide an opportunity to weed out those retailers and/or licensees that are in non-compliance.
 - The key to such an endeavor is the ability to track what happens to each permit after it is paid for. If WSSC does not currently have this ability, it should work quickly to attain that competency.
6. Change the existing rules, requiring greater WSSC involvement throughout the process.
 - First, require plumbers to enter the homeowner's name and address in the WSSC system when a short form permit has been assigned to a specific job. This would end the practice of permits being sold in bulk.
 - Second, all installations that have not been inspected within 30 days of the permit being assigned should be flagged by WSSC for follow-up by sending a letter to the

- plumber and homeowner advising them that WSSC's records show no inspection has been conducted.
- Third, set a limit on the number of assigned permits than any installer can have "open" at a time.
 - Last, create a system that allows installers to demonstrate three (3) good faith (non-harassing) efforts, no more than once per weekday, to reach the consumer to urge the completion of the inspection process. After the third documented attempt, the responsibility should shift to the consumer.
7. Undertake a broad survey of other jurisdictions.
- Other jurisdictions in Maryland have chosen different approaches to this issue, including not allowing the purchase of bulk permits (Howard County) or automatically following up on inspections overdue by six months or more (Carroll County).
 - We recommend undertaking a survey of other similarly situated counties and municipalities to understand their best practices.

VII. Attachments

- A. News Release: Consumer Protection Warns Residents About the Need for Gas Appliance Installation Inspections, October 4, 2011
- B. News Release: Office of Consumer Protection Looking for Input Regarding Inspection of Gas Appliances, November 8, 2011
- C. Comments Received by Advisory Committee
- D. Washington Examiner, Explosion Destroys Rockville Home, Injuring 2, May 4, 2011, Emily Babay
- E. Gazette.net, Inspections Lag on Appliances Sold from Big-Box Stores, October 4, 2011, Margie Hyslop; Washington Post, Report: Some Retailers Failing to Ensure Inspections of Gas Appliances, October 9, 2011, Victor Zapana

ATTACHMENT A



MONTGOMERY COUNTY, MARYLAND

News Release

For Immediate Release: 10/4/2011

Consumer Protection Warns Residents About the Need for Gas Appliance Installation Inspections

Montgomery County's Office of Consumer Protection (OCP) and the Washington Suburban Sanitary Commission (WSSC) today released results of a joint investigation into compliance with permitting and inspection requirements for gas appliances that are installed in Montgomery County. The investigation revealed that two-thirds of the gas water heaters sold during the tested time periods in 2010 and 2011 in Montgomery County by four of the large, "big box" type stores had not been properly inspected following installation, posing a potential safety hazard and depriving customers of services for which they paid, but never received.

Under the "Plumbing and Fuel Gas Code" for Montgomery and Prince George's counties, only WSSC-licensed plumbers/gas fitters can install gas appliances, including water heaters, gas dryers, gas heating systems and gas stoves. A permit is required from WSSC prior to installation and the licensed plumber/gas fitter is required to schedule an inspection by WSSC within five business days following the installation. In the majority of cases, permits were purchased for installation but requests for inspection were never received by WSSC. Effective February 1, 2011, permits and inspections are also required for electric water heaters.

The investigation, launched earlier this year, requested that the four "big box" retailers – Sears, Home Depot, Lowe's and hhgregg – provide a list of all the gas water heater installations they sold to consumers in Montgomery County during the tested time periods in 2010 and 2011. Each of the stores sells installation services but use subcontractors to do the actual installations. OCP worked closely with WSSC to determine the inspection compliance rate for these installations. Following the results of this investigation, the four retailers were asked to work with their subcontractor plumbers to have the gas water heater installations from 2010 and 2011 inspected and to take steps to ensure that future jobs are scheduled for inspection within five days of the installation.

WSSC has taken steps to insert a notice in its quarterly newsletter that alerts residents to the need for permits and inspections when gas appliances are installed. Consumers are being urged to insist that a permit is obtained when having a gas appliance installed and that an inspection is scheduled promptly afterwards.

Consumers who are not certain whether their gas appliances have been inspected and want to determine if a record of a safety inspection is available may call WSSC at 301-206-4004.

“Because of the finding that a majority of installations have not been inspected, we need to review the procedures and take proper steps to ensure that our residents are protected,” said OCP Director Eric Friedman. “The first step is to create a safety inspection committee comprised of representatives of the retail, insurance and plumbing industries, Montgomery and Prince George’s Fire-Rescue, the public and WSSC to consider ‘best practices’ for the regulation and inspection of gas appliances. Consumer Protection’s Advisory Committee may be able to initiate this process,” Friedman said.

“We welcome the opportunity to serve on this safety committee,” said Fire Chief Richard Bowers. “OCP has a long and distinguished track record of representing the interests of the public. This committee will bring together key stakeholders that possess a wealth of knowledge and experience, each striving to ensure the highest safety practices and standards possible.”

OCP, the County’s consumer protection agency, investigates thousands of complaints each year involving automotive sales and repairs, new home purchases, home improvements, credit issues, retail sales, internet services and most other consumer transactions. OCP provides pre-purchase information to consumers, as well as speakers to the community on consumer issues.

For more information and to check any merchant’s complaint record, call 240-777-3636 or visit OCP’s website at www.montgomerycountymd.gov/consumer.

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Release ID: 11-300

Media Contact: Sue Tucker 240-777-6507

ATTACHMENT B



MONTGOMERY COUNTY, MARYLAND

News Release

For Immediate Release: 11/8/2011

Office of Consumer Protection Looking for Input Regarding Inspection of Gas Appliances

Montgomery County's Advisory Committee on Consumer Protection is soliciting comments from all stakeholders regarding the installation and inspection of gas appliances. Recently, a joint investigation by the Office of Consumer Protection (OCP) and the Washington Suburban Sanitary Commission (WSSC) found that a majority of gas appliances installed in Montgomery County during a test period had not been properly inspected following [installation](#).

The regulatory code for gas appliances in Montgomery and Prince George's counties is enforced by WSSC and applies to water heaters, furnaces, ranges, grills, generators, clothes dryers and fireplaces. The WSSC code requires that all gas appliances be installed by a licensed gas plumber/gas fitter after a permit has been obtained. The code further states that an inspection with WSSC must be scheduled within five days of the installation. The failure to have gas appliances inspected in a timely fashion is both a violation of the law and a potential safety hazard.

Following the findings of the recent investigation, the OCP Advisory Committee is seeking comments from all parties and will compile, summarize and make appropriate recommendations to WSSC. Input is being sought from retail business establishments, homeowner's insurance companies, plumbing/gas fitting contractors, Montgomery and Prince George's Fire and Rescue Services and consumers.

Questions that the Advisory Committee is seeking answers to include:

- What are some of the reasons that a majority of gas appliances installed in Montgomery County are not being inspected in a timely manner, or at all?
- Should the five day requirement for an inspection be lengthened? Or, should a completed inspection be required before using the appliance?
- What hours and days should WSSC inspectors be available to conduct inspections?
- Should the installer or the customer bear the responsibility for scheduling the inspection

within the required time period?

- Should retail stores that sell gas appliances be responsible for insuring that their subcontractor complies with permitting and inspection requirements?
- How are gas appliance installations and inspections regulated in other jurisdictions?

Anyone interested in submitting input regarding this issue can send their comments to the OCP Advisory Committee, 100 Maryland Avenue, Suite 330, Rockville, MD 20850, or via email at consumerprotection@montgomerycountymd.gov. Comments should be sent no later than Friday, December 9.

OCP, the County's consumer protection agency, investigates thousands of complaints each year involving automotive sales and repairs, new home purchases, home improvements, credit issues, retail sales, internet services and most other consumer transactions. The Advisory Committee on Consumer Protection is comprised of nine members appointed by the County Executive and confirmed by the County Council. The committee meets monthly and provides advice to OCP in carrying out its duties and functions.

For more information call the Office of Consumer Protection at 240-777-3636.

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Release ID: 11-336
Media Contact: Sue Tucker 240-777-6507

ATTACHMENT C

From: IShmueli@
Sent: Wednesday, November 30, 2011 12:31 PM
To: Consumer Protection
Subject: gas appliance inspection

It seems to me that this is an effort to collect more fees and to hassle residents of this county.

Iris Shmueli

From: sbfarber@

Sent: Friday, November 25, 2011 4:14 PM

To: Consumer Protection

Subject: WSSC inspections of gas appliances

To the OCP Advisory Committee:

Thank you for addressing the important issue of WSSC inspections of installed gas appliances.

In late December 2009 our furnace and water heater both failed. Separate contractors installed replacements promptly despite the record snowfall at that time, and we appreciate their hard work. But neither one mentioned permits or WSSC inspections.

OCP's investigation of this issue led us to check the appliances for WSSC stickers, and of course there were none. We recently contacted both contractors. One provided us with a permit and asked us to schedule an inspection with WSSC, which we did. The other contractor did not provide a permit. The WSSC inspector examined both appliances and placed stickers on both.

Our view is that if the reason for the law is valid -- and if the consequences of continued flouting of the law are in fact potentially very serious -- WSSC must develop and implement processes to ensure that it is followed to the letter. We hope that your efforts will help make this happen now.

Steve Farber

From: Don

Sent: Thursday, November 24, 2011 9:28 PM

To: Consumer Protection

Subject: Gas appliance inspection

We bought a dryer last year and ran afoul of the five day inspection deadline. It is unrealistic, not well advertised and, I would argue, unnecessary under certain conditions.

We didn't know anything about the inspection requirement until the day our dryer was installed. The installer himself informed us. It is unrealistic to think that a family is going to be able to schedule an inspection within five days, given the likelihood that the homeowner has a job and will have to take off work to schedule it. Why not inform us when the appliance is purchased?

You should certify the installers. I paid someone who is presumably an expert (he's assigned the work by the retailer) to install the dryer. Why would you think they would not do the job well? Alternatively, could there be some way to coordinate so that the retailer schedules the inspection automatically at the time installation is scheduled? Make it a package inspection as it were.

The county definitely needs to rethink this policy.

Don Carter

Sent from my iPad

From: Drymalski, Peter

Sent: Tuesday, November 08, 2011 11:00 AM

To: Margolis, Sharon

Subject: Gas Appliance Inspections

Hi Sharon,

I have two suggestions on this score.

First, WSSC should adopt a rule, similar to the MHIC rule, that requires all contracts for the installation of gas appliances to include a prominent notice that the contractor will have the installation inspected, and give the WSSC phone number or website so that customers can get more information. The notice should also say that all contractors must have WSSC licenses.

Two, if there are to be timely inspections, we need to deal with the real-world issue of whether WSSC will have enough inspectors for the job. This might require fee increases.

Peter

From: Goldstein, Scott
Sent: Monday, January 09, 2012 11:07 AM
To: Friedman, Eric
Cc: Graham, Scott; Lohr, Steve; Bowers, Richard (FRS)
Subject: RE: Gas Appliance Installations

Eric,

Chief Bowers asked me to respond to your request for a FRS position on gas explosions. I will answer each bullet separately.

- how serious/common are gas explosions

Gas explosions are very serious and often times involve serious injury or death to the occupants involved. The accumulation of gas in void spaces prior to the introduction of an ignition source contributes to the resulting explosion being severe and often times causing total destruction of the house/structure.

A non-scientific response to the frequency of gas explosions includes that MCFRS responds to roughly 1 of these events per year and news media reports outline several of these incidents per year in the Metropolitan Washington area.

- how important is it to have gas installations inspected

The importance of gas inspections can not be over-stated to the lethality of injury from improper installations. Improper installations that lead to leaks and subsequent explosions/fire frequently lead to severe injury and even death.

- or how can gas installations be inspected more efficiently

Editorial – note a response

Education – Education – Education. How is the homeowner to know that WSSC must inspect the installation? How would they know the difference between installing a new gas hot water heater or dryer – versus an electrical appliance installation that does not require in inspection?

I hope this response is helpful. If you have any questions please give me a call.

Assistant Chief Scott Goldstein

Special Operations Section

Montgomery County Fire & Rescue Service

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Rockville, Maryland 20850

Office 240-777-2464

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scott.goldstein@montgomerycountymd.gov

WSSC Feedback

Gas Appliance Permits

Equal Enforcement

Home Depot agrees with the requirements for permits and puts great time, effort and resources into following the rules. It is frustrating, however, when other contractors in the market are not held to the same standards. We realize that smaller providers have less visibility, which makes enforcement more difficult. However, the regulators should make efforts to require the smaller contractors to submit customer lists or to find ways to get this information and follow up on it. This unequal enforcement creates a serious disadvantage in the market place for those that follow the rules.

Availability of Inspections

To improve the percentage of permits that receive final inspections, consumers need flexibility. Most households have 2 working spouses, and no one is home during the week. The inspection hours available are Monday-Friday with no weekends or evening hours. In other markets (Clark County, NV as an example), the inspectors work Saturday so consumers can make appointments at a more convenient time. Consumers are naturally more willing to schedule the final inspection on Saturday than to miss work, while waiting for the inspection during the week.

In addition, in an ideal situation, the regulators would have the inspector follow up within an hour after installation while the customer is still there. Under this scenario, the contractor could tell the consumer "I will be there between 9-11 and the install will take about an hour. Then, I will call the inspector and within 3 hours the inspector will conduct a final inspection of the installation to ensure it is correct and meets code"

If the consumer is not home when the inspector arrives as arranged, the burden passes to the home owner for the final inspection.

Permits

Installers need the flexibility and convenience of not having to go to the office to pull permits for simple things like water heaters. Installers should be able to purchase permits either on line, by faxing or phoning in an application for permit, or by using “books” of pre-sold permits and requiring them to be phoned in at time of issue. To move this process back to being done in an office will drive the smaller contractors back under ground and result in them not pulling permits. Our recommendation would be to build the process so that the regulators could monthly run reports on each license holder and review their open permits and follow up on the outstanding permits with the contractor. License holders who are not buying permits could be an indication that they are not properly permitting work. Home Depot continues to develop additional ideas in this area and would like to keep an open dialogue with your team.

Specific Questions

These are the specific feedback questions from the website and our responses:

- 1) The key reasons for lack of final inspections are (1) inconvenient scheduling for the consumer; (2) lack of understanding of need; (3) and lack of effort by the license holder.
- 2) 5 Day period is probably adequate, but the WSSC needs visibility to pending permits. We would oppose an inspection requirement, prior to use, on basic items, such as water heaters, due to the extreme consumer inconvenience.
- 3) The hours need to be more flexible and include some evenings and weekends.
- 4) The license holder should initially pull, phone in and attempt to get a final. However, an uncooperative consumer should ultimately be responsible. We use a process where the Contractor must contact the consumer 3 times, with the last being a certified letter to notify them that the inspection must be completed. Maybe something like that could be the standard to move the responsibility to the uncooperative consumer?
- 5) Retail stores that sell gas appliances should be held to the same standard as any other entity. Our experience with other jurisdictions is similar. However, many have taken actions to offer better consumer focused inspection hours and flex schedules so the inspector performs the final inspection the same day as installation. Some jurisdictions have established an audit process to audit only a percentage of jobs for each license holder and monitor based on pass percentage. It would be best to set up some way for the Contractor to update on line or fax in the “inspection” so there is a record of it being completed and a record of the results. Some jurisdictions have focused more on using 3rd party inspectors or training the contractor to do a reported self inspection with a random audit process of the inspections.



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December 21, 2011

Montgomery County Office of Consumer
Protection Advisory Committee
100 Maryland Avenue, Suite 330
Rockville, MD 20850

CONSUMER PROTECTION

DEC 22 2011

RECEIVED

Dear Advisory Committee Members:

Washington Gas notes with great interest your solicitation of comments regarding the inspection of natural gas appliances. We understand that your consideration of whether changes should be made to Montgomery County's inspection regulations is a follow-up to the Washington Suburban Sanitary Commission's study reporting that a majority of Montgomery County gas appliances installed during a test period had not been properly inspected after installation.

At Washington Gas, safety is paramount, and this commitment includes the use of natural gas appliances. We take customer and product safety very seriously.

We support your goals and efforts. However, we only ask that as you consider public comments and those of other stakeholders, please guard against excessive regulation, which, while well-intentioned, may inadvertently lead to decreased customer choice, with fewer consumers using the more energy-efficient natural gas-fueled appliances. This result would lead to overall increased energy consumption and greenhouse gas emissions.

Should you propose regulation changes, Washington Gas would be pleased to review and comment on them in a timely fashion, which we think would be helpful to achieving our mutual goal of increased customer safety.

Thank you for your consideration and for all your work in helping to keep consumers in the County safe.

Sincerely,

ATTACHMENT D

Washington Examiner

Explosion destroys Rockville home, injuring 2

By: [Emily Babay](#) | 05/04/11 7:05 PM

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Two people were seriously injured when an improperly installed dryer caused a Rockville home to explode early Wednesday morning.

An adult man and woman found in the rubble were taken to a local hospital's burn unit after the blast at their home on the 11200 block of Ashley Drive, said Scott Graham, assistant chief for Montgomery County Fire and Rescue. The blast startled area residents, who awoke at 3 a.m. to find that a piece of their neighborhood near Garrett Park had disappeared.

"I couldn't believe it," said James Bradley, 73, who lives across the street. "I looked out the window and the house was gone."

An improperly installed natural gas dryer caused the explosion, Graham said.

He said the man was in serious condition and the woman had suffered life-threatening injuries.

The couple had just moved into the home within the past week, neighbor Margaret Dikel said. Before that, the rental property had been vacant for some time while the landlord made renovations, she said.

Bradley said he initially thought the crash was a train derailling. But when he peered outside, he saw the house across the street was "physically gone."

Firefighters came through the neighborhood Wednesday morning to check for gas leaks in other homes, Bradley said.

Dikel called the blast "unbelievable."

The houses in the area are made of brick, she said, and "it takes a pretty big boom to get something like this to shake."

The blast caused about \$750,000 in damage, Graham said. The single-family, ranch-style home was a total loss. Adjacent homes sustained moderate damage and debris was found in a 50-yard radius around the house.

Rescue crews were at the home for more than an hour and investigators remained on the scene for eight hours, Graham said.

The Rockville incident came just two days after a Prince William County home exploded because of what authorities believe was a gas leak.

That home, located on the 19000 block of Wayne Drive in Triangle, was also undergoing renovations for new residents, according to Prince William County Fire and Rescue officials.

The explosion happened at about 8:15 a.m. Monday and the home sustained major damage. One person was inside at the time and was taken to a hospital for treatment.

ATTACHMENT E

Gazette.Net

Maryland Community News

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Inspections lag on gas appliances sold from big-box stores *by Margie Hyslop*
Staff Writer

More than two-thirds of gas water heaters sold by three big-box stores in Montgomery County were not inspected, as required by law, although customers paid for the safety check.

The findings are based on a joint investigation by Montgomery County's Office of Consumer Protection and the Washington Suburban Sanitary Commission.

The agencies looked at more than 1,200 purchases from Home Depot, Sears and Lowe's during 2010. The big-box stores subcontract installation of the gas water heaters they sell, and in most cases installation permits were purchased, but the WSSC did not receive requests for inspection.

All gas appliances purchased for use in Montgomery and Prince George's counties -- including dryers, heating systems and stoves -- must be installed by WSSC-licensed plumbers and gas fitters and must be checked by WSSC inspectors afterward, under local codes.

"It's a matter of public safety," said I.J. Hudson, a WSSC spokesman.

The WSSC issued a notice of violation to a Best Buy store for installation of a gas range without a permit, Hudson said.

And the WSSC will ask Best Buy for a list of addresses for customers in Montgomery and Prince George's who bought gas appliances from Best Buy stores since the beginning of 2010, Hudson said.

"It really is an industry wide problem, [and] the compliance rate is shockingly low," Montgomery consumer protection director Eric Friedman said.

The agencies have asked the stores to work with their subcontractors to complete the overdue inspections and to make sure that inspections are scheduled, as required by law, within five business days after the appliance is installed.

The WSSC is working to inform consumers that permits and inspections are required for gas appliances and, since Feb. 1, for electric water heaters.

Friedman and his staff decided to look into the compliance issue after they learned that All State Plumbing, Heating & Cooling and its master plumber, Wayne E. Garrity, had charged some customers up to three times the cost of a permit and failed to buy the permit or call the WSSC to schedule an inspection.

A lawsuit against the company and Garrity, filed in February, is pending, Friedman said.

According to information posted on its website, the WSSC is trying to get the code changed to require installers to provide addresses for each permit within a few days of an appliance purchase and also is looking into software to make it easier to track permits, installations and inspections.

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The Washington Post

Report: Some retailers failing to ensure inspections of gas appliances

By Victor Zapana, Published: October 9, 2011

At least three major retailers in [Montgomery County](#) have not ensured that legally required follow-up inspections are performed on gas appliances the stores have sold, according to a [report](#) by county officials.

In failing to ensure that their subcontractors scheduled the inspections, the appliance retailers allowed installers to create potential safety hazards in homes across the county, the officials said.

Montgomery's consumer protection director, Eric Friedman, said that to varying degrees, the retailers identified in the report — Home Depot, Lowe's and Sears — are cooperating with authorities to notify customers. But Friedman said that the retailers bear "some responsibility" for their subcontractors' sidestepping of county safety requirements.

In Montgomery, gas appliances, such as water heaters, must be installed by a licensed plumber. Such appliances also must be checked by an inspector from the Washington Suburban Sanitary Commission, which oversees permitting of gas appliances in Montgomery and Prince George's counties.

But two-thirds of all gas water heaters bought last year by Montgomery residents in county outlets of Home Depot, Lowe's and Sears were not inspected, according to data released by the WSSC and Montgomery's Office of Consumer Protection.

25% of installations faulty

Based on past inspection findings, officials estimate that about 25 percent of the water heaters were improperly installed, posing a heightened risk of carbon monoxide poisoning and fire in the customers' homes.

The three retailers said they had helped to notify many of the customers and would work with government officials to create a better inspection process.

Inspectors across the Washington region said that the retailers had dropped the ball on a potentially dangerous issue.

"The retailer that's selling the product to the customer needs to make sure they have contractors who are going to follow the [permitting process]. It really does fall back on them," said Jason

Green, permitting and inspections chief in Carroll County. “Most homeowners don’t realize what’s required.”

Spokesmen from Home Depot and Lowe’s said that the conflicting schedules of inspectors and customers often cause inspections to fall through. The codes mandate that an inspection be conducted within five days of installation.

Inspectors said that although major accidents are rare, the rules requiring a licensed installer and a follow-up inspection are intended to reduce the risks of accidents and death. In May, [North Bethesda](#) was rocked by the explosion of a gas dryer that had been installed by a resident who wasn’t licensed to do such work.

The extent of the problem elsewhere in the region is unclear. Installations in Prince George’s are governed by the same safety requirements. Prince George’s authorities have not analyzed data there, but WSSC officials said they think that a review would find a similarly widespread lack of inspections.

Montgomery officials analyzed sales records for about 1,250 gas water heaters and found that about 850 had not been inspected. Since local authorities, subcontractors and retailers began to notify affected customers this year, 30 to 40 percent have had inspections or have had inspections scheduled, according to the WSSC.

One possible cause of Montgomery’s inspection problem, inspectors said, is that the WSSC sells [blank permits](#) in bulk. After a plumber fills one out, he is obligated to notify the WSSC and schedule an inspection.

Cost-cutting blamed

But to cut costs, some plumbers do not follow the procedures unless a customer demands the permit, inspectors say. The plumbers sometimes make multiple copies of the same permit and never notify the WSSC, inspectors say. (In Montgomery, each blank permit costs \$55.)

Howard County’s permitting director, Bob Frances, said that because of the potential for abuse in selling permits in bulk, his agency individually approves permits. The county also has a follow-up system that checks on installations after six months. The county can issue fines to plumbers who do not follow up.

Few other jurisdictions in the Washington region have such an organized system to double-check inspections. For example, the District and Fauquier County do not follow up. Carroll follows up if an inspection isn’t done within six months, but it does not issue fines.

The WSSC, which says it is working to improve the permitting system, is also considering whether to issue citations to subcontractors, spokesman I.J. Hudson said.

Friedman said his agency is considering fining retailers, which charge permit fees but do not ensure that the inspections are carried out. In essence, Friedman said, the stores have been overcharging customers.

“We think the retailers have some responsibility, certainly,” Friedman said. “The store is taking the consumers’ money directly, not the plumber.”

Citations considered

Hudson and Friedman said that their agencies will consider the stores’ cooperation in deciding whether to issue citations.

Spokesmen for Home Depot and Lowe’s said that the permit fee is not an overcharge because the stores are simply collecting money to repay the subcontractors for the purchase of the blank permits. They said that the stores keep no funds from the fee and should not be subject to citations. A Sears spokesman said the company is confident that its installation process complies with standards.

Frank Sodetz, 70, a retired Army colonel and scientist living in Silver Spring, paid Sears about \$1,700 last month for a gas water heater and other services he had bought over the phone.

A subcontractor came to install the heater, but Sodetz later learned from another plumber that the installation broke the WSSC code in five ways. The heater still hasn’t been fixed, and he said that neither Sears nor the subcontractor had provided any documentation of the sale or the installation.

“I don’t have any paperwork of any kind from Sears, even to show that I ever dealt with them,” Sodetz said. “I got a Kenmore water heater and a charge on my credit card of about \$1,700. That’s it.”

A Sears spokesman, Larry Costello, acknowledged that a permit was not issued at the time of installation. He said that another subcontractor would fix the installation Tuesday. He said that Sears no longer works with the original subcontractor and was checking its previous installations for problems.

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